

HUNDRED MILLION DOLLAR LOAN TO FRANCE FLOATED

Details of New Issues of Bonds Received By Banking Representative

AMERICAN SYNDICATE OPENS SUBSCRIPTION LIST TODAY

Valuable Privilege Is Given Holder In Unique Plan of Redemption

American bankers today will offer to the American investing public for subscription \$100,000,000 of French loan bonds, the second issue of this size negotiated by the French Republic in the United States since the start of the war.

Wireless advices to H. A. Bruce, representative in Honolulu of the National City Company of New York, one of the syndicate of big banking interests floating the loan, yesterday received wireless advices giving the details of the new issue of French bonds.

The bonds will be two-year five and one-half per cent convertible securities with a unique feature in the payment of principal and interest that increases their value to the purchaser. The holder has the option of demanding the payments in francs at the fixed rate of 5.75 francs per dollar, which practically assures the realization of \$100 to a bondholder on a \$100 bond at maturity.

In an interview yesterday Mr. Bruce, explaining the new loan, said: "The new loan of \$100,000,000 to France, which will be offered for subscription Monday morning by a syndicate of American bankers, will be quite similar to our recent loan to Great Britain. Collateral will be pledged with the trustee in New York, and although the bonds actually mature in two years, they will be convertible, at the option of the holder, into twenty year five and one-half per cent bonds of the French Republic."

"There is one feature about this new loan, however, which has not been found in previous loans. Although principal and semi-annual interest are payable in United States gold coin, a valuable privilege is given to the purchaser in the option to demand these payments, if he so desires, in francs at the fixed rate of 5.75 francs per dollar. "Under normal conditions exchange on Paris sells in New York at 5.18 francs per dollar. A credit of 5.75 francs is therefore worth \$1.10 under such conditions. Under the terms of the loan, payments may be demanded in francs, and it is thus quite possible that \$100 may be realized on each \$100 bond at maturity. The coupons may similarly prove more valuable than their face amount."

"The two-year five and one-half per cent convertible bonds are to be offered by the syndicate at \$90 for each \$100 par value. As they mature April 1, 1919, the purchaser is assured of receiving \$100 on that date, or an assured six per cent on his investment. In case the war is over at that time, and exchange has returned to normal, the novel feature described assures a premium which greatly increases the rate of interest return."

"The option of converting into a twenty-year five and a half per cent bond of the French Republic offers another possibility of profit. French bonds sold in January, 1913, at prices such that only 3.40 per cent was the net return on the investment. It is unlikely that French government bonds will again command such prices in the immediate future, but it does seem quite probable that investors will demand far less than five and a half per cent on such bonds when peace has finally been concluded. It is interesting to note therefore, that a twenty-year five and a half per cent bond purchased at \$112.50 would net four per cent, and at \$125 there would be a return of 3.50 per cent on the investment. These figures indicate the possible value of the convertible privilege."

Collateral Carefully Guarded
The collateral deposited with the trustee in New York will be similar to that pledged for the various British loans, and, similarly, the French government obligates itself to pledge additional securities if necessary so the market value shall never fall below one hundred and twenty per cent of the par value of the loan outstanding."

In view of the fact that the federal reserve board has reversed itself, and now acknowledges the desirability of investments in foreign government issues, and because of the excellent possibilities of profit, in addition to the conservative nature of the bonds from the investment standpoint alone, there seems to be every reason to expect that the offering will meet with a cordial reception and be promptly subscribed. It is, of course, desirable that such should be the case, as the creation of such credits in the United States is essential to the continued purchase of our commodities."

HELPING ORPHANS
(By The Associated Press.)
ROME, March 18.—Nearly a million dollars has so far been collected by the National Association for Helping the Orphans of Parents Killed in the War. The object of the Association is to insure the farm education of these orphans so the farming race of the nation will not suffer too severely from the losses of the war.

DOUBLE TRACKING PLANS COMPLETED

Rapid Transit Company Announces Placing Orders For Steel Rails For Entire Work

Company Also Ready To Retire Outstanding Bond Issue When Due In May

Arrangements have been completed by the Honolulu Rapid Transit and Land Company for double tracking King Street from McCully Street to the Moanaloa terminus at Fort Shafter.

C. G. Ballentyne, manager, has informed the officers and directors of the company that orders have been placed for the steel rails for the entire work. Delivery of the rails is to be made early next year for commencement of work at that time.

Announcement is also made by the company of completion of arrangements for retiring the outstanding issue of \$250,000 of bonds due May 1. The directors voted to issue \$400,000 of additional stock to be open for subscription by the present shareholders of the company. The directors also approved raising the balance to retire the bonds by securing a temporary loan of \$125,000 until other steps can be taken to provide this amount.

Cost of Rails Jumps
Indication of the increasing cost of rails was given by Mr. Ballentyne in street railway construction and steel quoting the cost of the order for the King Street construction. The entire lot was purchased at \$51.85 a ton, while eleven months ago, the rapid transit company purchased steel rails at \$31.75 a ton.

Extensive rehabilitation and repair of the company's track system is planned for 1917 according to Manager Ballentyne's annual report which outlines this work as follows:

"The Ewa track on Alapea Street, built during April-June, 1903, will require retieing during 1917, and the track on Beretania Street between Alapea and Richards Streets will also require new ties. A few short sections in other parts of the system will require retieing during 1917 or 1918. This work completed and King Street track reconstructed in double track position, already provided for, will finish the retieing of track for the present."

"It is necessary that provision be made for the reconstruction and retieing for permanent paving of several sections of the system. The most important being Beretania Street from Alapea Street to Alexander Street, as it is contemplated to lay a permanent pavement on this street in the near future, and it would not be advisable to lay a permanent pavement with the present rails. Rails will also be required for the makai track on King Street from Liliha to the station, as this track is getting into bad condition. The re-railing of Hotel Street from Alapea to River has already been provided for, and this work will be planned for the latter part of 1917 or early in 1918."

New Rails On Fort Street
"Rails should be provided for Fort Street from Queen to Allen Street, as this block, carrying a heavy truck traffic, requires a more permanent paving than the asphalt macadam we have at present and it would not be advisable to pave with the present rails. The same condition applies on Fort Street between Hotel and Beretania Streets. Rails now ordered for Kalaniana'olu Avenue, but which will not be delivered until late in the year, may be used for these purposes."

"During the year the track on Kalaniana'olu Avenue will be rebuilt to the center double track position to conform to the street improvement. Owing to our stock of 7" girder rails being exhausted and the late delivery of rails ordered for this purpose, it is proposed to proceed with the work using the Pearl Harbor 70-lb. 4% Tee rail."

"Material will be ordered for the completion of the double track on King Street and also for the Kalihi extension, and this work will proceed as soon as the material is available, which will probably not be before 1918."

Company Business Grows
The growth of the company's business and its demonstration of the growth of the city are shown in the annual report of L. T. Peck, president. Mr. Peck states:

"In our last annual report reference was made to litigation then pending on the government's appeal to the Supreme Court of Hawaii from a decision rendered in our favor by the circuit court, defining the rights of stock issue under our franchise act. That decision has since been confirmed by the supreme court and our capital stock has accordingly been increased to one million six hundred thousand dollars."

"The outstanding feature of the year's operations is the growth of traffic, the passenger revenue for 1916 showing an increase of more than sixty thousand dollars over that of 1915, and of nearly forty-five thousand dollars over that of any year of operation. Perhaps no other factor so clearly demonstrates the city's growth. In 1907 there were carried 7,358,278 passengers, as compared with 13,213,700 in the year just closed. The growing need for enlarged facilities of travel is being met by your board, which has authorized the double tracking of King Street to be extended westward to Fort Shafter and eastward to McCully Street, thus providing a continuous double track line 5.4 miles in length along the main artery of the city's travel. The board has also directed the construction of an extension along School Street westward from Liliha Street into Kalihi Valley."

Policy of Extension Favored
"The paving of Kalaniana'olu Avenue has necessitated the relocation of our tracks thereon. Because of the deterioration of the rails now in use, new

PRAISE FOR LOCAL CUSTOMS OFFICERS

Efficiency Board After Investigating Reports Complete Satisfaction With the Findings

Collector Franklin Much Pleased By Statements Made By Commissioners Before Leaving

Complete satisfaction with the work and system of the local customs house is reported to be the results of the investigation into its affairs by the customs efficiency board, consisting of H. Blackwood of Seattle, W. H. Tidwell of San Francisco and George C. Davis of New York. The commissioners left for the Coast on the Sonoma on March 13 without having had time to visit the Volcano, as they had hoped to.

They have prepared a report on the customs house here which will be sent to the treasury department. Collector of the Port, Malcolm A. Franklin stated yesterday that they had discussed the report with him before they left, but as it had not yet been given out by the department, he would not be able to say anything about it.

"In the main," stated Mr. Franklin, "the report was very satisfactory to me. There were a few things in which I differed from their findings, but they were minor matters, and I consider the local customs to have received most satisfactory notice. "The commissioners spoke very highly of our appraisers and examiners and made the statement that their reports had fewer errors than those in any other office in the United States. They also spoke very highly of Raymer Sharp, special deputy collector and head of the examiners."

The commissioners went into every branch of the work of the local customs and are said to have paid particular attention to the personnel, especially as regards its adequacy in numbers to handle the work. Mr. Franklin admitted this yesterday, but declined to say what the findings of the commissioners were.

Another need of the local customs house, a patrol boat, said Mr. Franklin, will be supplied by the \$400,000 coast guard cutter, which is already appropriated for and which will be named the Honolulu.

The three commissioners were all men of long service in the department and experts in their lines. Mr. Blackwood is the special deputy collector of the port at Seattle, Mr. Tidwell is the special agent in charge of the San Francisco customs house, and Mr. Davis is the head of the comparative valuation report department of the New York customs house.

MAUI CHAMBER ASKS MILITARY TRAINING

By a vote of eighteen to two, the Maui chamber of commerce has gone on record as favoring universal military training, says the Maui News. The vote was on a resolution introduced by William Seaby endorsing the bill introduced in the United States senate by Senator Chamberlain. The resolution called on the legislature to notify the Delegate to Congress of the chamber's action so that he might advise the senate. The resolution was seconded by E. B. Penhallow. The two dissenting votes were cast by W. J. Cooper and Dan Quill.

HAWAII WILL PROBE CHARGES OF GRAFTING

(Mail Special to The Advertiser.)
HILLO, March 14.—Following charges of petty graft, or at least of irregularities in connection with road work and contracts in North Kona, made before the board of supervisors last week County Attorney W. H. Beers was instructed to make a careful investigation and report to the board in writing.

Attorney Beers spent two days in North Kona, returning to Hillo on Monday, submitting an exhaustive report to the board at its meeting yesterday. In this report Mr. Beers finds that there was no graft, that the alleged irregularities were not in existence and that the men working on the road contracts earned every dollar that is due them.

Detailed reports on the work done and the amounts paid is included in the report submitted by Mr. Beers and after full consideration of the report submitted the board ordered the report filed and declared that the matter is a closed incident.

steel is being laid in the center of the avenue from McCully Street to the entrance of Kapiolani Park. "To provide capital for these and any further extensions of the water works and to extinguish our outstanding six per cent bonds, which are redeemable on and after May 1, 1917, you have voted at a recent special meeting to increase the capitalization of the company by the sale of four thousand new shares of stock and by the creation of a five per cent bond issue to be availed of as the funds shall be required."

Although the present franchise has but about thirteen years more to run, your board of directors believe that the inauguration of a policy of immediate extension of lines and service will be met more than half way by a community sentiment of approval so strong and permanent as to bring about, in due time, an extension of our franchise on terms that will be fair alike to us and to the Honolulu public."

CALIFORNIA WILL BATTLE STANFORD ON TRACK APRIL 14

State University Men Believe They Have Good Chance To Win This Year's Meet

The University of California and Stanford track teams will meet in their annual struggle on the California track at Berkeley, April 14. This meet is always one of the best dual meets on the mainland, both in the matter of records and in the closeness of the contest.

For the last four seasons Stanford has been victorious, but always by narrow margins. In 1915 she won over her old rival by two points and in 1913 by two-fifths of a point, 61.13 to 60.55. The year's men promise to be another close one. George Swain, one of the California two-milers, writes to a friend in Honolulu: "This looks like our best chance in several years to get even with the red shirts, but it is close this year, as usual, and we shall have to work to win."

Stanford loses many men from her team of last year. Fred Murray and Norton, her two record hurdlers, were graduated last year, as were Skin Wilton, the attenuated miler, whose record of 4:10 speaks for itself. Lynn and Beal, quarter-milers, and Otto Lachmund, sprinter and high-jumper, also are gone.

Stanford will miss Murray especially, as he was one of those versatile athletes who could win in almost any one of four or five events. The line will be made up partially by Meredith House, last year's freshman phenom, which this year is eligible for varsity competition. The low hurdle race is House's main event. In all his races last year his worst time was 24.5 and his best was 23.45.

California's greatest losses are Ted Probie, one of the few hurdlers who ever beat Peg Murray; Maker, jumper and hurdler, and Davis, miler. The dilapidated from clubland being defeated by the score of seven to five.

The society nine started out with colors flying and cigarettes scenting the vagrant breezes with their fragrant aroma. They retired to the dressing room at the end of the ninth inning, a crowd of seven over whom the ball-playing sons of Mars looked lustily.

Said sons of Mars looked to face defeat along the whole long march, but nonetheless, kept plugging away. In the fatal eighth preparedness alias condition told, and while the elubites were fading away, the West Pointers came with a rattle, and when the smoke had cleared from the scene of action it was seen that the Army's score had been fattened by a full five points.

The game was played on a damp diamond, which for the first two or three games was absolutely sticky. At three o'clock, the time scheduled for the game to start, a drizzling rain was falling and it was a toss-up whether there would be baseball or not.

Then the band of the Second Infantry came along, and must have succeeded in scaring Jupiter P. away, for just as soon as the music-makers commenced to play an Irish jig, in honor of the Glorious Seventeenth, the rain ceased falling and enough blue appeared in the heavens to make a Dutchman the proverbial pantaloon.

Rain Held Down Crowd
Had the day been a fine one the attendance would have been a record-breaker, and the Army Relief Fund, for the benefit of which the game was played, would have benefited accordingly. As it was, there were perhaps four hundred people present.

Army folks and local society were well represented in the grandstand, the proportion of well-gowned ladies present being noticeable. St. Patrick's Day confetti was worn by several of the players, particularly those of the Army team, and one blithe sportsman came to bat every time with an emerald-hued club tastefully tied with a bunch of green baby ribbon.

The University-Pacific-Country Club. B. P. O. E. bunch took first whack and netted one in their first inning. In the third inning the clubbies spilled the artillery of Gunner McKinnon so effectively that the bell rang for them four times and a member of the band sounded the mournful "taps."

Army opened their account in the second of the third, Andrus' three-bagger bringing in a run.

The fourth, fifth and sixth innings were scoreless. Pitcher Brown, for the clubbies, had plenty of speed with him and managed to get a baffling break on his deliveries. Lieutenant Lyman relieved Captain McKinnon on the mound in the fourth and, although the enemy connected with his projectiles on several occasions, they were unable to pass the barbed-wire entanglements round second and third bases.

SOLDIERS WIN TRACK MEET Trail and Mountain Club Second

Twenty-fifth Infantry wins A. A. U. meet. Seven new A. A. U. records set and two tied. (U) signifies man is unattached, (K) Kamehameha, (T and M) Trail and Mountain Club, and (25) Twenty-fifth Infantry. Records are given for each event, whether broken yesterday or not. If not broken "record" means old A. A. U. record.

EVENTS AND RESULTS

120-yard Hurdles—White (U), Brown (T & M), De la Nux (K). (No time. Bibee (T & M) was first in 17 4-5, but he was disqualified for knocking down three hurdles). Record, 16 2-5.

100-yard Dash—Gilbert (25), Hore (K), Parks (25), Parker (25); 10 flat. Ties record.

440-yard Dash—Ware (25), Pride (25), Stickney (T & M), Bush (T & M); 50 2-5. New record; old record, 52 2-5.

50-yard Dash—Mills (25), Hore (K), Parker (25), Herring (25); 5 2-5. Ties record.

Diagrams Throw—Nicholson (T & M), 107-6; Ludlum (U), 107-3 1-2; Kong Tai Pong (T & M), 93-1 1-2. Record, 115 feet 1 inch.

220-yard Hurdles—Dower (K), White (U), Mills (25), Whitney (25); 27 1-5. Record, 27.

Pole Vault—Lindley (T & M), Brown (T & M), Mott-Smith (T & M); tied for first at 10-7. Lindley having been injured. Record, 11-8.

Half-mile Run—Eaton (K), Robinson (25), Hawkins (T & M); 2:05. New record; old record, 2:06 2-5.

Shot Put—Caroline (25), 30-1; Souza (U), 36-8 1-2; Nicholson (T & M), 35-2 1-2. Caroline put 39-7 in exhibition, a new record if it had been allowed. Record, 39-2 1-2.

220-yard Dash—Simon (25), Gilbert (25), Ware (25), Stickney (T & M); 23 2-5. Record, 22 3-5.

Running Broad Jump—Simon (25), 21-11 1-4; Russell (25), 21-4 3-4; Herring (25), 21-1 1-2; Bromley (T & M), 21-1 1-4. New record; old record, 21-5 1-2.

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